

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 FEA-02 SCI-06 INT-08

COME-00 TRSE-00 OMB-01 NEA-11 IO-14 DRC-01 /142 W

----- 036946

O 211523Z JAN 74

FM AMEMBASSY DUBLIN

TO SECSTATE WASHDC IMMEDIATE 5323

INFO USMISSION EC BRUSSELS IMMEDIATE

USMISSION OECD PARIS IMMEDIATE

C O N F I D E N T I A L DUBLIN 0108

STATE ALSO FOR T/IEP

E.O. 11652: GDS

TAGS: ENRG

SUBJ: ENERGY: PREPARATIONS FOR INTERNATIONAL ENERGY CONFERENCE

REF: STATE 12410

1. FOLLOWING IS EMBASSY DUBLIN'S RESPONSE TO STATE 12410 (NOT RECEIVED IN DUBLIN UNTIL OOB JANUARY 21 BECAUSE NOT SLUGGED NIACT IMMEDIATE):

(A) WHILE THE IRISH HAVE TENDED MORE TO REACT THAN ACT ON THE ENERGY CRISIS AND HAVE A PERENNIAL TENDENCY TO HOPE THAT BAD NEWS WILL SIMPLY GO AWAY, FOREIGN MINISTER FITZGERALD, MEDIA, AND OTHERS SUPPORT THE FEBRUARY 11 CONFERENCE AND ITS OBJECTIVE OF BRINGING ORDER OUT OF THE CURRENT CONFUSED SUPPLY AND PRICE SITUATION. THE IRISH CLEARLY WANT TO PARTICIPATE BOTH THROUGH THE EC AND INDIVIDUALLY IN THE CONFERENCE, AND FITZGERALD STATED THAT, WHILE THERE WILL NOT BE SUFFICIENT TIME IN WHICH TO DEVELOP A SUBSTANTIAL COMMON EC POLICY BEFORE THE FEBRUARY TALKS, IT IS MORE IMPORTANT TO GO AHEAD
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AND HAVE THEM ON THE DATE PROPOSED BY PRESIDENT NIXON. THERE

HAS BEEN CRITICISM IN THE PRESS OF FRENCH AND REPORTED BRITISH BILATERAL OIL DEALS (PERHAPS BECAUSE IRELAND HAS NOTHING WITH WHICH TO BARTER FOR OIL, AND SECOND-RANKING FOREIGN OFFICIALS HAVE INDICATED THEY FAVOR A COMMON EUROPEAN COMMUNITY APPROACH TO ENERGY POLICY. A FACTOR LESSENING IRISH INDEPENDENCE IN OIL POLICY MAKING IS THE FACT THAT MUCH OF THEIR PETROLEUM, ESPECIALLY REFINED PRODUCTS, IS IMPORTED INDIRECTLY, UNDER CONTRACTUAL ARRANGEMENTS, THROUGH THE UK.

(B) IRISH SENSITIVITIES IN THE CURRENT ENERGY SITUATION INCLUDE: (1) THEIR BASICALLY PRO-ARAB VIEWPOINT; (2) IRELAND'S LONG-STANDING CONCERN RE LESS-DEVELOPED, NEWLY EMERGING COUNTRIES, WHICH WILL LIKELY INFLUENCE THEM AWAY FROM ANY ARRANGEMENTS WHICH SMACK OF A CONSUMER CARTEL OR A RICH-POOR CONFRONTATION; (3) THEIR HEAVY DEPENDENCE ON MID-EAST OIL, WHICH COMPRISES OVER 90 PERCENT OF THEIR PETROLEUM IMPORTS AND NEARLY 70 PERCENT OF THEIR TOTAL ENERGY SUPPLY; (4) IRELAND'S CONSUMING INTEREST IN PURSUING ECONOMIC GROWTH TO BRING IRELAND CLOSER TO THE LIVING STANDARDS OF ITS EC PARTNERS AND ELIMINATE PERENNIAL HIGH STRUCTURAL UNEMPLOYMENT; (5) IRISH INTEREST IN THE EUROPEAN COMMUNITY AS AN INSTITUTION. IN DEALING WITH IRELAND IN THE CONTEXT OF THE CONFERENCE, WE SHOULD BE CAREFUL TO MAKE CLEAR THAT WE ARE PURSUING A COOPERATIVE EFFORT, NOT A CONFRONTATION, WITH BOTH PRODUCERS AND CONSUMERS, DEVELOPED AND LESS DEVELOPED. AT THE SAME TIME THE IRISH ARE BECOMING AWARE OF THE SEVERE IMPACT INCREASED OIL PRICES WILL HAVE ON THE IRISH BALANCE OF PAYMENTS, AND WE SHOULD CONTINUE TO EMPHASIZE THIS FACT.

(C) REAL GNP, WHICH ROSE BY 7 PERCENT IN 1973 AFTER THREE YEARS OF STAGNATION, WAS EXPECTED TO RISE BY 4.5 - 5 PERCENT IN 1974 (ABOUT CAPACITY). BECAUSE NO ONE KNOWS HOW LONG THE CURRENT CRISIS WILL LAST OR CAN PREDICT THE LEVEL OF IRISH OIL SUPPLIES FOR ALL 1974, THERE HAS BEEN NO REAL EFFORT TO DEVELOPED REVISED GROWTH RATES IN THE LIGHT OF BOTH THE ENERGY CRISIS AND BRITAIN'S THREE-DAY WEEK (ABOUT 50 PERCENT OF IRISH TRADE IS WITH THE UK, BOTH WAYS). GNP LIKELY TO BE CUT ONE TO TWO PERCENT IF CURRENT SITUATION ENDURES TOO LONG. PETROLEUM SUPPLIES ARE REPORTEDLY DOWN 25-30 PERCENT ON DEMAND AT THIS POINT, BUT GOI HAS PERMITTED DRAW-DOWN ON SUPPLY STOCKS IN HOPE OF
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CRISIS WILL EASE AS ARABS RELAX CUTBACKS. GOI HAS INTRODUCED SEVERE RESTRICTIONS ON DELIVERIES OF HEATING OIL SUPPLIES AND GASOLINE IN ORDER TO GIVE PRIORITY TO INDUSTRY WHICH USES PETROLEUM AS A RAW MATERIAL OR ENERGY SOURCE. (SEE DUBLIN 19 WHICH PROVIDES LATEST INFO ON CURRENT AND CONTEMPLATED IRISH MEASURES). VOLUNTARY CUTBACKS ON ELECTRICITY AND PIPED GAS CONSUMPTION HAVE BEEN DEMANDED, AND RATIONING THREATENED. GASOLINE SUPPLIES TO REGAILERS CUT, INFORMAL RATIONING TO CUSTOMERS UNDERWAY,

AND CONTINGENCY RATION COUPONS ISSUED. INTERNAL IRISH POLITICAL
SITUATION THUS FAR UNAFFECTED; INTERNATIONAL POSTURE DISCUSSED
ABOVE.

(D) (-) ENERGY CONSUMPTION - 1972

COAL	9 PERCENT
OIL	69 PERCENT
TURF (PEAT) (SOD)	10 PERCENT
TURF (MILLED)	7 PERCENT
WATER (HYDRO-ELECTRICITY)	5 PERCENT

(2) IMPORTS - 1972

COAL - TOTAL	877,477 LONG TONS
OF WHICH: ANTHRACITE	60,276 LONG TONS
SOURCE:	
GREAT BRITAIN	18,440
GERMANY, F.R.	6,440
NETHERLANDS	22,477
SOUTH AFRICA,	
R. OF	10,075
POLAND	2,844

STEAM COAL 759,982 LONG TONS

SOURCE:	
GREAT BRITAIN	93,877
POLAND	646,758
CZECHOSLOVAKIA	16,436
GERMANY, F.R.	2,557
NETHERLANDS	341

GAS COAL 56,308 LONG TONS
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SOURCE:
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, SUPPLIES, IMPORTS, LESS DEVELOPED COUNTRIES, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974DUBLIN00108
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: DUBLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740128/aaaabajj.tel
Line Count: 152
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 12410
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by kelleyw0>; APPROVED <29 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: PREPARATIONS FOR INTERNATIONAL ENERGY CONFERENCE
TAGS: ENRG, EI, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005